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U. S. Department of Agriculture

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION Washington, D. C.

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AMENDMENT ADDING ARTICLE VIII TO THE REGULATIONS UNDER THE COTTON ACT OF APRIL 21, 1934 GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

United States Department of Agriculture, Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Act approved April 21, 1934, entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Congress), as amended by Public Resolution No. 45, approved June 20, 1934, I do make, prescribe, publish, and give public notice of the following regulations, Article VIII, in addition to the regulations governing allotments and tax-exemption certificates made, prescribed, published, and notified on July 13, 1934, which Article VIII and which said regulations hereby amended are to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.

(SEAL)

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed at the City of Washington this 30th day of July, 1934.

Hawallace

Secretary of Agriculture.

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AMENIMENT ADDING ARTICLE VIII TO THE PEGULATIONS UNDER THE COTTON ACT OF APRIL 21, 1934 GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

### ARTICLE VIII. SUMMARY PROCEDURE PERMITTED

- Sec. 81. Finding by State Allotment Board. Certificates shall be issued separately to individual producers as provided in Article IV except in case a State Allotment Board certifies to the Secretary under oath and in writing that with respect to farms on each of which there are two or more producer units the physical labor of making the computations required by the Form No. B.A. 9 (and 10 where used) can not be performed in time to make a first issuance of certificates separately to individual share tenants and/or share croppers and landlords available to them at the time needed, and such certification is accepted by the Secretary, in which case the following summary procedure shall be followed.
- Sec. 82. Issuance of certificates in case a trustee is desired. (a) In case the landlord and share tenants and/or share croppers producing cotton on a farm covered by an application for allotment and for certificates (on Form Nos. B.A.8 and 9, and 10 where used) agree in writing (each before a subscribing witness), at the time such application is filed with the appropriate County Committee, that a trustee shall be appointed to receive the certificates representing the allotment to such farm and they designate any individual (being a resident in the vicinity of or on such farm who will continue to reside there until the ginning season shall have ended) to be such trustee and such individual files therewith his written consent to serve as such trustee, the County Committee shall forward such agreement, designation, and consent (all of which shall be on one prescribed form) to the State Allotment Board with such application. In such case the State Allotment Board shall issue en bloc certificates covering the allotment to such farm to "Trustee for et al", naming at least one interested party (other than the trustee himself if he is an interested party), and shall do so without making the individual computations called for in columns E, F, G, and H of Form No. B. A. 9 (and Form No. B. A. 10 where used).
- (b) In case one or more of the producers shown on the pertinent application form shall not agree upon the appointment of such a trustee but a majority of such individual producers do so agree, the State Allotment Board shall comply fully with all of the requirements of the foregoing regulations respecting such producer or producers who do not so agree and shall make the aforesaid computations respecting each such producer and issue to each such producer individually (in his own name) the certificates to which he is entitled, and shall issue en bloc to such trustee the remainder of the certificates covering the allotment to such farm.

- (c) In case a trustee resigns or dies or becomes disabled, incompetent, or insolvent (after the issuance of certificates in trust to him), the right to custody of any certificates not used in accordance with the trust shall automatically vest in the Assistant in Cotton Adjustment for the county and such certificates shall be forthwith cancelled by such Assistant and shall be re-issued. Any certificates not used under the trust shall be forthwith delivered to the appropriate Assistant in Cotton Adjustment by the Trustee or any other person who may lay hands on such certificates for such purpose. An accounting shall be made to such Assistant by the trustee in case of his resignation (or, in the event of his death, disability, incompetency, or insolvency, by any persons having knowledge of the facts) for the disposition of all certificates theretofore used under such trust and all certificates not so used. If within five calendar days after such cancellation a successor trustee is designated by all or a majority of the remaining parties beneficiary under the original trust (in the same manner as the original trustee was designated), the certificates cancelled may be re-issued to such successor trustee (to the extent of the interests of the remaining parties beneficiary under the original trust), upon his execution of a declaration of trust upon the prescribed form. If no successor trustee is so designated within five calendar days, the appropriate Assistant in Cotton Adjustment shall report the facts and circumstances to the State Allotment Board. Such Board shall thereupon make the required computations on the Form No. B.A. 9 (and 10 where used) and issue certificates individually to such producers after making the necessary deduction for each such producer of the amount of certificates which have been used for his benefit under the original trust: and the Board shall proceed in the same manner respecting any producer who was a beneficiary under the original trust but has not agreed to the appointment of a successor trustee.
- (d) Every person who circulates or presents a copy of the prescribed form on which signatures may be placed agreeing to the appointment of a trustee shall certify in writing on such form that he has explained to each person to whom he has presented it the rights of such potential subscriber under the Act and these regulations (Articles I to VIII) and has made certain that each potential subscriber understood those rights before he signed or declined to sign the agreement, particularly that he is entitled to have certificates issued separately to him in his own name if he so desires, and has informed him that no person can be compelled to consent to the appointment of such a trustee.
- (e) If there is a vacancy in the office of an Assistant in Cotton Adjustment or he is absent from the county to which he is assigned, the rights and duties prescribed in this article and preceding articles respecting such Assistant shall devolve upon the County Agent for that county pending the return of such Assistant or the appointment of such an Assistant.
- (f) Every certificate issued pursuant to the Act and regulations thereunder shall bear the serial number of the application pursuant to which it was issued, whether or not a trustee has been agreed upon.

- Sec. 83. Duties and liabilities of trustee. (a) Each such trustee shall execute a declaration of trust upon a prescribed form setting forth the terms and conditions of his trust. It shall be the duty of each such trustee under the regulations to administer his trust faithfully and diligently and to carry out all the provisions of the regulations under the Act applicable to trustees and particularly to use the certificates so issued in trust to him only for the purpose of procuring bale tags to be affixed to the cotton of each producer on the farm who is a beneficiary under the trust in such manner that each such producer will actually receive the direct benefit of an amount of certificates exactly in the proportion that the part of the cotton crop which each producer is entitled to receive as his share bears to the total of the cotton produced in the crop year 1934 on all those parts of the farm upon which cotton is produced by all of the beneficiaries of such trust. The shares which such beneficiaries are entitled to receive shall be severally reckoned as that part which a share tenant is entitled to receive for himself under his lease or renting agreement, that part which a share cropper is entitled to receive for himself for his labor, and that part which a landlord is to receive for himself pursuant to his lease or agreement with a share tenant or share cropper, and the share of each such tenant or cropper shall be reckoned without regard to questions of title under State law, without deduction on account of claims for advances, and without regard to any claim or lien against the crop or its proceeds in favor of the landlord or any other creditor.
- (b) Each such trustee shall make a final report and accounting in writing (on a prescribed form) for each issue of certificates entrusted to him. Nothing contained in this article shall be construed to mean that any such trustee shall not be as fully amenable to the law of his State governing trustees as if his declaration of trust were executed in the absence of this article. Nor shall anything contained in this article be deemed to affect the liability of such a trustee, either as such trustee or as an individual, under the Act or the regulations thereunder.
- Sec. 84. Crop failure and surplus certificates. (a) Wherever a share tenant or share cropper or a landlord, being a beneficiary under such a trust, submits satisfactory proof to the County Committee that his cotton crop on any producer unit operated by him has been totally destroyed by uncontrollable natural causes (such as storm, drought, flood, insect pests, etc.) the County Committee shall issue a certificate that such total destruction is a proven fact. Such certificate shall be authority to the Assistant in Cotton Adjustment for such county to cancel and re-issue to such a producer individually an amount of such trusteed certificates equal to the proportion he would have received if such disaster had not occurred and he had produced as much cotton per acre as the other parties to such trust will produce according to estimate. Such estimate shall be made by the Assistant in Cotton Adjustment and shall be based on the fairly estimated average yield per acre of all other land on such a farm for the crop year 1934. Such re-issued certificates shall thereupon be considered as the sole property of such producer and may be transferred by him pursuant to the regular procedure to be hereafter established by regulations for the transfer of certificates. A certificate shall be furnished to such trustee by such Assistant in Cotton Adjustment showing the amount of such cancelled and re-issued

certificates, which shall be accepted as a proper voucher in the accounting of such trustee for the certificates entrusted to him.

- (b) After every case covered by paragraph (a) of this section shall have been provided for, if any certificates issued in respect of the farm remain after all the cotton produced on the farm has been ginned and tagged (in order that it may be marketed tax-free) they shall be deemed to be surplus certificates and shall be deposited with the Assistant in Cotton Adjustment through whom the certificates were originally distributed. Such Assistant shall cancel such surplus certificates and re-issue in their stead new certificates to and in the name of each of the share tenants and share croppers and the landlord individually in proportion to the original distribution of certificates among them. Thereupon such ro-issued certificates may be transferred, by the person to whom re-issued, pursuant to the regular procedure to be hereafter established by regulations for the transfer of certificates.
- Sec. 85. Application of this Article. (a) This article shall be applied only in the cases to which its provisions are strictly applicable. All of the other provisions of the regulations heretofore or hereafter made shall apply to every case, situation, and person dealt with herein except to the extent that such other provisions are directly inconsistent with the provisions of this article.
- (b) Every application on Form No. B. A. 8 shall be accompanied by Form No. B.A. 9 (and Form No. B.A. 10, if such continuation sheet is necessary) whilly executed, except that in any case where a trustee is agreed upon columns C and D need not be executed with respect to the parties beneficiary under such trust and the State Allotment Board may dispense with individual computations in columns E, F, G, and H with respect to such parties beneficiary but column F shall show the total allotment apportioned to the farm and columns E, F, G, and H shall show the totals for the parties beneficiary under such trust.

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UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION Washington, D. C.

NUV 5-1934 ★
U. S. Department of Agriculture

AMENDMENT ADDING ARTICLE XI
TO THE REGULATIONS UNDER THE COTTON ACT OF APRIL 21, 1934
GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

United States Department of Agriculture, Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Act approved April 21, 1934, entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73rd Congress), as amended by Public Resolution No. 45, approved June 20, 1934, I do make, prescribe, publish, and give public notice of the following amendment adding Article XI to the regulations governing allotments and tax-exemption certificates made, prescribed, published, and notified on July 13, 1934, as amended on July 30 and September 5, 1934, which regulations as thus amended are to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.

(SEAL)

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed at the City of Washington this 21st day of September, 1934.

Hawallace Secretary of Agriculture.

ARTICLE XI. REPLACEMENT OF CERTIFICATES LOST, DESTROYED, OR STOLEN.

Sec. 111. Procedure for replacing interim certificates. -- In case an interim certificate is lost, destroyed, or stolen, the following procedure shall be followed:

(1) In the event an interim certificate (Form No. B.A. 14) is lost, destroyed, or stolen while in the possession of the producer to whom it was issued and prior to its surrender to the ginner designated therein, the producer to whom it was issued shall at once submit to his Assistant in Cotton Adjustment a statement in writing under oath setting forth to his best knowledge all of the circumstances of the loss, destruction, or theft

and making application for a replacement certificate. Such Assistant shall immediately cancel such certificate and give written notice of such cancellation to the ginner whose name appeared on the face of the certificate, reciting the serial number and poundage of such certificate. If such Assistant is satisfied from the statement made by the producer and his own investigation that such producer was not guilty of negligence or connivance, he shall grant the application and issue to such producer a replacement interim certificate, indicating clearly on its face that it is a replacement by writing thereon the number of the original which it replaces, and shall attach the duplicate copy (Form No. B.A. 14a) of the replacement certificate to the duplicate copy of the certificate originally issued. If such Assistant is not so satisfied, he shall forward the producer's statement and written report of his own investigation and his findings therefrom to the Chief of the Cotton Production Section, who is hereby authorized to grant the application or deny it.

- (2) In the event an interim certificate is lost, destroyed, or stolen after it is surrendered to the ginner designated therein, such ginner shall promptly notify the Assistant, stating in writing under oath to his best knowledge all of the circumstances of the loss, destruction, or theft and also showing the gin numbers and weights of the bales which (as shown by the ginner's records) were recorded on the certificate prior to its loss, destruction, or theft. Such Assistant shall immediately cancel the original certificate in the manner described in paragraph 1 hereof, and, if he is satisfied from said statement and his own investigation that such ginner was not guilty of negligence or connivance, he shall issue a replacement certificate for the same number of pounds as was indicated on the original, with the number of bales and their net weights, shown by the ginner's sworn statement as having been ginned on the original, properly endorsed on the replacement certificate and certified as correct by the signature of the producer in whose name the original certificate was issued, and shall then deliver such replacement certificate to said ginner. The duplicate copy of the replacement certificate shall likewise be attached to the duplicate copy of the certificate originally issued. If such Assistant is not satisfied with the statement of the ginner, he shall forward such statement and written report of his own investigation and his findings therefrom to the Chief of the Cotton Production Section, who is hereby authorized to issue a replacement certificate or reject the statement and direct that no replacement certificate be issued.
- (3) The oath to any written statement made under paragraph 1 or 2 hereof may be administered by any person authorized to administer oaths to applicants for tax-exemption certificates pursuant to Public Resolution Number 29, 73d Congress (see page 56, B.A. 19).

IBRARY

UNITED STATES DEPARTMENT OF AGRICULTURE NOV 5-1934 AGRICULTURAL ADJUSTMENT ADMINISTRATION S. Department of Agriculture

Washington, D. C.

AMENDMENT ADDING SECTIONS 112 and 113 TO THE REGULATIONS UNDER THE COTTON ACT OF APRIL 21, 1934 GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

> United States Department of Agriculture, Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Act approved April 21, 1934, entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73rd Congress), as amended by Public Resolution No: 45, approved June 20, 1934, I do make, prescribe, publish, and give public notice of the following amendment adding Sections 112 and 113 to the Regulations governing allotments and tax-exemption certificates made, prescribed, published, and notified on July 13, 1934, as amended on July 30 and September 5 and 21, 1934, which Regulations as thus amended are to be in force and effect until amended or superseded by Regulations hereafter made by the Secretary of Agriculture under said Act.

> In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed at the City of Washington this 9th day of October: 1934.

(SEAL)

Acting Secretary of Agriculture.

M. L. Wilson

- Sec. 112. Procedure for replacing certificates. -- In case any certificate issued through a State Allotment Board to a procucer or a trustee for producers is lost, destroyed, or stolen--
  - (a) While in transit from such Board to the County Office:
- (1) Upon being advised of the fact, the Board shall immediatelh concel each certificate and give written notice of such cancellation to the County Office concerned and send a copy of such notice to the Cotton Production Section.
- (2) The Assistant in Cotton Adjustment (hereinafter called the Assistant) for such county, immediately upon receipt of such notice from the Board, shall give written notice of such cancellation to the producer or trustee concerned and also to each ginner in his county, stating the serial number and poundage of the certificate and the producer or trustee in whose name it was issued, and shall at the same time notify the County Agent for his county by furnishing him with a copy of such notice sent to ginners.
- (3) The County Agent concerned, immediately upon receipt of such copy of notice, shall give written advice of the pertinent facts to the County Agent for each county adjoining his. Such other County Agent in turn shall give written notice of such facts to each ginner in his county.
- (4) The Board shall promptly make, or cause to be made, a thorough investigation of all the circumstances of such loss, destruction, or theft and shall make written report of its findings therefrom (including, if determinable, a finding as to who is responsible for the loss, destruction, or theft) to the Cotton Production Section and send a copy thereof to the County Office concerned.
- (5) If the Board is satisfied from such investigation that the certificate has been in fact totally destroyed, it shall immediately issue another certificate in its stead marked "Replacement under Sec. 112 (a) (5)".
- (6) If the Board is satisfied from such investigation that the certificate has been lost and has not been stolen but may or may not have been destroyed, it shall immediately issue another certificate in its stead marked "Replacement under Sec. 112 (a) (6)".
- (7) If the Board finds that the certificate has been stolen and that there was no collusion or connivance on the part of the producer or trustee named therein, it shall immediately issue another certificate in its stead marked "Replacement under Sec. 112 (a) (7)". The Cotton Production Section shall, through the usual channels, cause notice of such theft and a copy of the report of the Board's investigation to be delivered to the Department of Justice with a view to investigation and to prosecution for theft of Government property (since such certificate is the property of the United States until it is delivered to the producer or trustee named therein.)

(8) Replacement certificates issued under this subsection (a) shall be delivered and accounted for by all concerned in the same manner as certificates originally issued.

## (b) While in or in charge of a County Office or Officer:

- (1) The County Assistant shall immediately cancel such certificate and give written notice of such cancellation to the State Board and send a copy of such notice to the Cotton Production Section, and he and the respective County Agents shall severally give the required notices prescribed in paragraphs 2 and 3 of subsection (a) of this Section.
- (2) The Assistant shall forthwith make a full statement in triplicate, sworn to before a notary public, setting forth all the known or ascertainable facts and circumstances and the serial number and poundage of the certificate and the name of the producer or trustee for whom issued. The original statement shall be immediately forwarded to the Cotton Production Section, the duplicate to the State Board, and the triplicate to the County Ament.
- (3) The County Agent shall promptly make a thorough investigation of all the circumstances of such loss, destruction, or theft and make written report of his findings therefrom (including, if determinable, a finding as to who is responsible for the loss, destruction, or theft) to the Cotton Production Section and send a copy thereof to the State Board.
- (4) If the State Board is satisfied from the statement of the Assistant and the report of the County Agent (and from its own investigation, if it deems one necessary) that the certificate has been in fact totally destroyed, it shall immediately issue another certificate in its stead marked "Replacement under Sec. 112 (b) (4)" without waiting for instructions from the Cotton Production Section. If the Board is not so satisfied, it shall so report by telegraph to said Section, and the Chief thereof shall direct the issuance of such replacement certificate only if he is satisfied one should be issued.
- (5) If it appears from the statement of the Assistant and the report of the County Agent that the certificate has been lost or stolen, no replacement thereof shall be made except upon express direction from the Chief of the Cotton Production Section, who shall promptly examine such case.
- (6) If said Chief of Section is satisfied from such statement and report (and from his own investigation, if he deems one necessary) that the certificate has been lost and has not been stolen but may or may not have been destroyed, he shall direct the State Board to issue another certificate in its stead marked "Replacement under Sec. 112(b) (6)."
- (7) If said Chief of Section is satisfied from such statement and report (and from his own investigation, if he deems one necessary) that the certificate has been stolen and that there was no collusion or connivance on the part of the producer or trustee

named therein, he shall direct the State Board to issue another certificate in its stead marked "Replacement under Sec. 112 (b) (7)". He shall also proceed in accordance with the second sentence of paragraph 7 of subsection ( $\underline{a}$ ) of this Section.

- (8) In any case in which said Chief of Section is satisfied or finds reasonable ground to believe that the producer or trustee named in the certificate has been guilty of collusion or connivance, no replacement certificate shall be issued.
- (9) Replacement certificates issued under this subsection (b) shall be delivered and shall be accounted for by all concerned in the same manner as certificates originally issued.

# (c) After delivery to the producer or trustee named therein:

- (1) The producer or trustee or person rightfully having custody or possession of the certificate when it was lost, destroyed, or stolen shall immediately execute in duplicate a written statement sworn to before a notary public and shall promptly file such statement in duplicate with the Assistant. The statement shall set forth the serial number, poundage when issued, and poundage ' unused of the certificate, the name of the producer or trustee to whom issued, the number and net weights of bales (if any) ginned on the certificate, the name and address of each ginner (if any) who subtracted any portion(s) of the certificates, the date when and the place where the certificate was lost, destroyed, or stolen, and all other known or ascertainable facts and circumstances bearing on such loss, destruction, or theft. Unless such sworn statement contains also a showing that the producer or trustee (and the person rightfully having castody or possession of the certificate, if he is not the producer or trustee) is not guilty of connivance, collusion, or negligence in such loss, destruction, or theft, it shall not be considered and no replacement certificate shall be issued.
- (2) If the Assistant is satisfied from such statement (and from his own investigation, if he deems one necessary before proceeding further) that the certificate has in fact been lost, destroyed, or stolen, he shall immediately cancel such certificate, and he and the respective County Agents shall severally give the required notices prescribed in paragraphs 2 and 3 of subsection (a) of this Section.
- (3) The Assistant shall then promptly make a thorough investigation of the pertinent facts and circumstances of such loss, destruction, or theft and make written report of his findings therefrom (including, if determinable, a finding as to who is responsible for the loss, destruction, or theft), and of his cancellation, to the Cotton Production Section, attaching thereto the original of the statement required under paragraph 1 of this subsection, and shall hand the same to the County Agent.

- (4) The County Agent shall promptly examine such statement and report and, after considering the same and making his own investigation, if he deems one necessary, shall endorse on the report his recommendation either that a replacement certificate be issued or that such issuance be denied and shall then forward such statement, report, and recommendation to the Cotton Production Section.
- (5) If the Chief of said Section is satisfied from such statement, report, and recommendation (and from his own investigation, if he deems one necessary) that the certificate has been in fact totally destroyed, he shall immediately issue another certificate in its stead marked "Replacement under  $S_{ec}$ . 112 ( $\underline{c}$ ) (5)."
- (6) If the Chief of said Section is satisfied from such statement, report, and recommendation (and from his own investigation, if he deems one necessary) that the certificate has been lost and has not been stolen but may or may not have been destroyed and that the producer or trustee (and the person having custody or possession of the certificate when it was lost or may have been destroyed) has not been guilty of connivance, collusion, or negligence, he shall immediately issue another certificate in its stead marked "Replacement under Sec.  $112\ (\underline{c})\ (6)$ ."
- (7) If the Chief of said Section is satisfied from such statement, report, and recommendation (and from his own investigation if he deems one necessary) that the certificate has been in fact stolen and that the producer or trustee (and the person in whose custody or possession it was last) was not guilty of connivance or collusion, he shall immediately issue another certificate in its stead marked "Replacement under Sec. 112 (c) (7)." He shall also proceed in accordance with the second sentence of paragraph 7 of subsection (a) of this Section.
- (8) In case of exceptional need, the Chief of said Section may by telegraph direct the Assistant to make the issuance of the replacement certificate under paragraph 5, 6, or 7 of this subsection, in which case such certificate shall be marked as required by such paragraph.
- (9) In any case in which the Chief of said Section is satisfied or finds reasonable ground to believe that the producer or trustee named in the certificate (or the person in whose custody or possession it was last) has been guilty of collusion or connivance, no replacement certificate shall be issued.
- (10) Replacement certificates issued under this subsection ( $\underline{c}$ ) shall be delivered through the Assistant and shall be accounted for in the Cotton Production Section and by the Assistant.
- (11) In no case covered by this subsection (c) shall any replacement certificate be issued unless and until a good and sufficient bond of indemnity has been executed and filed with the Assistant. Such bond shall be executed by the producer or trustee as principal and by two owners of property (other than the producer or trustee) situated

within the county as sureties and shall be in a sum equal to the value of such certificate (reckoned by multiplying 5.67 cents by the number of pounds shown on such certificate) and shall contain the condition that such sum shall be forthwith paid to the United States Government upon proof that any portion of the certificate (reported as lost, destroyed, or stolen) has been exchanged for a bale tag. The Assistant shall examine such bond and if he finds it to be good and sufficient and in proper form, he shall make and sign an endorsement thereon to that effect and shall forward the bond to the Cotton Production Section with the relevant documents.

- (d) The Cotton Production Section shall maintain a complete record of all certificates which have been reported as lost, destroyed, or stolen or have been turned in as mutilated or badly weathered (see section 113), arranged by State and County, showing in each case the serial number, poundage issued and poundage reported unused, and name of the producer or trustee to whom issued, the serial number and poundage of any replacement certificate, and the provision of these regulations pursuant to which replacement was made.
- (e) In every case covered by subsection (a), (b), or (c) hereof, the Chief of the Cotton Production Section shall in writing notify the Commissioner of Internal Revenue of the fact and date of the loss, destruction, or theft of the certificate and its serial number and poundage, and the name of the producer or trustee named therein. He shall also cooperate in disseminating such information to gimmers.
- (f) No forms will be prescribed for use under this Section except the producer's statement and the bond required by paragraphs 1 and 11, respectively, of subsection (c).
- (g) In case any certificate reported to have been lost, stolen, or destroyed, or any portion thereof is subsequently found or discovered, it shall be the duty, under these Regulations, of the person finding or discovering such certificate or portion to deliver the same forthwith to the nearest Assistant with a written statement of the circumstances under which it was found or discovered. Such Assistant shall thereupon physically cancel such certificate or portion thereof and forward it, together with written report of his investigation thereof, to the Cotton Production Section. If the Chief of said Section, upon his own investigation, deems that the facts so warrant, he shall take appropriate steps to report the matter to the Department of Justice through the usual channels.

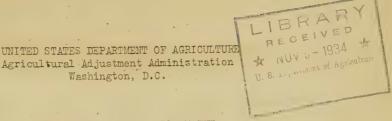
# Sec. 113. Mutilated or weathered certificates .--

In any case where a certificate has been mutilated, or damaged by exposure to the elements, to such extent that its

usefulness is destroyed or seriously impaired, the producer or trustee to whom it was issued may apply to the appropriate Assistant, who is hereby authorized to cancel it and replace it with a fresh certificate equivalent in poundage to the amount then clearly shown on the old certificate, and such replacement shall be marked "Replacement under Sec. 113." Such cancellation and re-issuance shall be accounted for in the same manner as all other cases of cancellation and re-issuance.

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UNITED STATES DEPARTMENT OF AGRICULTURE



AMENDMENT TO SECTION 101 OF THE REGULATIONS UNDER THE COTTON ACT OF APRIL 21, 1934, GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

Washington, D.C.

United States Department of Agriculture, Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Act approved April 21, 1934, entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Congress), as amended by Public Resolution No. 45, approved June 20, 1934, I do make, prescribe, publish, and give public notice of the following amendment to section 101 of the regulations governing allotments and tax-exemption.certificates made, prescribed, published, and notified on July 13, 1934, as amended on July 30, September 5 and 21, and October 9, 1934, which regulations as thus amended are to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.

> In testimony whereof I have hereunto set my hand and caused the , official seal of the Department of Agriculture to be affixed at the City of Washington this 30th day of October, 1934.

M. L. Wilson Acting Secretary of Agriculture.

# AMENDMENT TO SECTION 101 OF REGULATIONS GOVERNING ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES UNDER COTTON ACT OF APRIL 21, 1934.

Section 101 is amended by adding at the end thereof the following: "Since any transfer or assignment of a certificate (or portion thereof) which is not made in accordance with these regulations is invalid and of no effect, such certificate (or portion thereof) shall be cancelled by the Chief of the Cotton Production Section, Agricultural Adjustment Administration, Department of Agriculture (who is hereby designated as the agent of the Secretary for such purpose), upon proof satisfactory to him that its transfer or assignment was invalid. Upon such cancellation said Chief of Section shall give notice thereof directed to the Commissioner of Internal Revenue (in order that Collectors of Internal Revenue may be advised thereof), to the County Agent for the county in which the certificate (or portion thereof) was originally distributed and also to the County Agent for the county within which the person to whom it was invalidly transferred or assigned resides if his whereabouts are know, to the person to whom it was originally issued, to the person who made the invalid transfer or assignment if he was not the person to whom it was originally issued and if his identity and whereabouts are known, and to the person to whom it was invalidly transferred or assigned if his identity and whereabouts are known. Any County Agent so notified shall forthwith notify each ginner in his county of the fact of such cancellation and also notify the County Agent of each adjoining county, who in turn shall promptly notify each ginner in his county. The several notices herein required shall be in writing and shall recite the cause of cancellation, the serial number of the certificate, the poundage shown thereon at the time of the invalid transfer or assignment, which is the poundage thereof which is cancelled, and any other pertinent facts respecting it which may have been established to the satisfaction of said Chief of Section. Such cancellation shall have full force and effect even though the certificate (or portion thereof) is not physically cancelled and shall be effective whether or not notice thereof is received by any party who may be concerned (as producer, ginner, or otherwise) provided such notice is received by the Commissioner of Internal Revenue. It shall be the duty of any person having possession or control of any certificate (or portion thereof) so cancelled to deliver the same to the nearest County Agent or other agent or employees of the Department of Agriculture for transmittal to said Chief of Section."

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#### AMENDMENTS TO THE 1935 REGULATIONS

PERTAINING TO ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES

UNDER THE COTTON ACT OF APRIL 21, 1934

United States Department of Agriculture,

Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Act approved April 21, 1934, entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73rd Congress; 48 Stat. 598; 7 U. S. C. 701 et seq.), as amended, I do make, prescribe, publish, and give public notice of the following amendments to sections 53 (a), 54 (e), and 55 (e) of and adding section 53-1/2 to the Regulations Pertaining to Allotments and Tax-Exemption Certificates (designated as B. A. 219) made, prescribed, published, and notified on March 6, 1935, and amended on April 2 and April 12, May 7, July 31, and August 12, 1935, which regulations as thus amended are to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.

The Regulations Under the Cotton Act of April 21, 1934, Governing Allotments and Tax-Exemption Certificates as prescribed on July 13, 1934 (designated as B. A. 19), and thereafter amended (on July 30, September 5, September 21, October 9, October 30, and November 7, 1934, and March 8, 1935) shall continue in full force and effect with respect to every case, question, or matter of any kind dealt with therein which arose prior to March 6, 1935, and the aforesaid regulations prescribed on March 6, 1935, as thereafter amended as aforesaid and as hereby amended and as they may be hereafter from time to time amended or superseded by

regulations prescribed by the Secretary of Agriculture, shall apply to every case, question, and matter of any kind therein dealt with arising on or after March 5, 1935.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed at the City of Washington this 3rd day of September, 1935.

Acting Secretary of Agriculture.

AMENDMENTS TO THE 1935 REGULATIONS
PERTAINING TO ALLOTMENTS AND TAX-EXEMPTION CERTIFICATES
UNDER THE COTTON ACT OF APRIL 21, 1934

I.

The following new sentence is inserted at the end of section 53 (a) as amended, and at the end of paragraph (2) of section 54 (e), and also at the end of paragraph (2) of section 55 (e):

No producer purchasing certificates shall purchase any greater amount of certificates than an amount which when added to any amount he may have left over from all certificates issued or reissued to or otherwise acquired by him in 1934 and in 1935 will be sufficient (on the basis of a reasonable and prudent estimate if his exact production in 1935 has not yet been finally determined) to procure bale tags for all his lint cotton produced by or for him in the crop year 1934-1935 and in the crop year 1935-1936 which has not already been identified by bale tags thereto affixed.

II.

Pursuant to the amendment to section 9 (d) of the Act made by section 41 of the Act approved August 24, 1935, entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes" (Public, No. 320, 74th Congress), Article V is amended by adding the following new section

between sections 53 and 54:

- Sec. 53-1/2. Transfer from one producer to another within the same State .- (a) Any cotton producer may, in accordance with the procedure set forth in this section 53-1/2, transfer or assign to any other cotton producer who is a resident of the same State any certificate issued or reissued to him or any portion thereof (hereinafter in this section referred to as "certificate,"), which is not needed by him to procure bale tags for any cotton produced by or for him in the crop year 1935-1936 or the crop year 1934-1935, at the uniform price fixed by the Secretary in section 53 (d) of these regulations to be paid for each pound of tax-exemption expressed in the certificate which is transferred or assigned. In such case the statement prescribed in section 52 of these regulations shall first be executed and filed by the person who will be the transferor or assignor (hereinafter in this section referred to as "transferor") with the Assistant in Cotton Adjustment (hereinafter in this section referred to as the "Assistant") in or for his county and found acceptable under said section 52, which Assistant shall file such statement in his office if acceptable. No producer acquiring certificates under this section shall acquire any greater amount of certificates than an amount which when added to any amount he may have left over from all certificates issued or reissued to or otherwise acquired by him in 1934 and in 1935 will be sufficient (on the basis of a reasonable and prudent estimate if his exact production in 1935 has not yet been finally determined) to procure bale tags for all his lint cotton produced by or for him in the crop year 1934-1935 and in the crop year 1935-1936 which has not already been identified by bale tags thereto affixed.
- (b) Where transferor designates transferee -- If the producer desiring to transfer or assign his certificate designates by name and address a transferee who is a cotton producer residing in another county within the same State to whom he desires to transfer it, the procedure shall be as follows: The producer shall deliver the certificate to the Assistant in or for his county, who shall immediately cancel such certificate and in lieu thereof reissue a certificate in like poundage in the name of the transferee, bearing the transferee's address, and deliver the reissued certificate to the transferor for his delivery to the transferee. A receipt for the reissued certificate shall be signed by the transferor on a prescribed form, setting forth the name and address of the person to whom and the price at which such certificate is being transferred. In the event that the intended transfer is not effected, the producer may have reissued to him by such Assistant another certificate of like poundage in lieu of the certificate reissued to him upon surrender of such reissued certificate and upon establishing the fact that no part of the transfer price has been paid. Every certificate reissued under this subsection shall be marked "Reissued under Sec. 53-1/2" and shall bear the same application serial number as is shown on the certificate in lieu of which it is issued.